



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 1, 2009

Opie Abeyta  
Land Law Examiner, Mining Law Team  
Solid Minerals Branch, Lands and Minerals Division  
440 W. 200 S., Ste. 500  
PO Box 45155  
Salt Lake City, Utah 84145-0155

Dear Ms Abeyta:

In response to your e mail of September 25, 2009, I have enclosed a copy of the approved NOI and MRRC for the Goldterra Blue Castle project U-87376, S/015/0077. Also enclosed is a copy of the letter from 2007 approving an amendment where the operator reduced the acreage to be disturbed. In sending this letter and stamping the NOI approved, the Division approved the entire NOI. Please call me at 801 538-5261 or Wayne Western 801 538-5263 if you need further information about this issue..

Sincerely,

Paul B. Baker  
Minerals Program Manager

PBB:whw  
Enclosure

cc: [Christopher\\_Conrad@blm.gov](mailto:Christopher_Conrad@blm.gov)

O:\M015-Emery\S0150077-BlueCastle\Draft\LTR\_10012009.doc





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

November 16, 2007

Daniel Sheppard  
GoldTerra, Inc.  
P. O. Box 783  
Price, Utah 84501

Subject: Approval of Amended Notice of Intention to Commence Small Mining Operations, GoldTerra Inc., Blue Castle Mine, S0150077, Task 1812, Emery County, Utah

Dear Mr. Sheppard:

The Division has reviewed the revised pages for the referenced Notice of Intention to Commence Small Mining Operations (Notice) and finds them complete. Enclosed with this letter are copies of the pages stamped approved. Please note that your reclamation surety is only adequate for one acre of disturbance and that, as noted in the revised Notice, you would need to submit an amendment and additional surety before expanding beyond one acre.

Thank you for your cooperation in submitting this amendment. Please call Paul Baker at 801-538-5261 if you have questions about this approval.

Sincerely,

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:PBB:pb

Enclosure: NOI Pages

cc: Nathan Sill, Price BLM

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**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECEIVED**

**MAR 05 2007**

---ooOoo---

DIV. OF OIL, GAS & MINING

**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Goldterra, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/015/077 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

☒ **APPROVED**

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as **EXCLUDED** on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

☒ **APPROVED**

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

☒ APPROVED

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

 **APPROVED**

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

GOLDTERRA, INC.  
Operator Name

By DANIEL C. SHEPPARD  
Authorized Officer (Typed or Printed)  
PRESIDENT & CEO  
Authorized Officer - Position

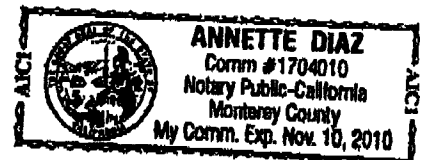
[Signature]  
Officer's Signature

03/01/07  
Date

STATE OF California  
COUNTY OF Monterey ) ss:

On the 1 day of March, 2007, Daniel C. Sheppard personally appeared before me, who being by me duly sworn did say that he/she is an Officer/director (owner, officer, director, partner, agent or other (specify)) of the Operator GoldTerra inc and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Annette R.  
Notary Public  
Residing at Monterey County  
Nov. 10, 2010  
My Commission Expires:



☒ APPROVED

DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

3/20/07  
Date

STATE OF Utah )  
COUNTY OF SALT LAKE ) ss:

On the 20<sup>th</sup> day of March, 2007, John R. Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R. Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Victoria A. Bailey  
Notary Public  
Residing at: Salt Lake City, UT

February 29, 2008  
My Commission Expires:





## FACT SHEET

Commodity: GOLD  
Mine Name: Blue Castle  
County: Emery  
Disturbed Acres: <1

Operator Name: GoldTerra, Inc.  
Operator address: 4088 East Airport Road, Price UT 84501 –  
Mailing address: P.O. Box 783, Price, UT 84501  
Operator telephone: 435-636-8888  
Contact: Daniel C. Sheppard  
Operator email: dcs@goldterra.com

Surety Type: Bond  
Bank Name: Eastern Utah Community Credit Union  
Surety Amount: \$5,400.00  
Account number: 39203-61  
Contact: Paula Jacquez - 435-637-2443

Escalation Year: 2009



January 26, 2007

State of Utah, Dept. Of Natural Resources  
Division of Oil, Gas, and Mining  
1594 W North Temple, Ste 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

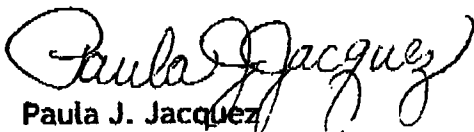
Attn: Ms. Beth Ericksen

This letter acknowledges receipt of a Reclamation Surety by Eastern Utah Community Credit Union from the Division of Oil, Gas, and Mining. The Eastern Utah Community Credit Union agrees to the terms and instructions of the CD Agreement letter. An administrative hold (restriction) has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the CD agreement letter.

Mine Site: Blue Castle Mine DOGM File#S15/00/77  
Account Name: Goldterra, Inc.  
Account Number:  
Principal Amount: \$5,400.00  
Original Acknowledgement: 01/26/2007

Sincerely,

EASTERN UTAH COMMUNITY CREDIT UNION

  
Paula J. Jacquez  
Vice President

☒ APPROVED

RECEIVED

MAR 02 2007

DIV. OF OIL, GAS & MINING

675 East 100 North • P.O. Box 719 • Price, Utah 84301 • (800) 700-2781 • www.evccu.com



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

February 1, 2007

Eastern Utah Community Credit Union  
675 East 100 North  
Price, Utah 84501

Attention: Paula J. Jacquez, Vice President, 435-637-2443, [paula@euccu.com](mailto:paula@euccu.com)

Subject: Reclamation Surety, Certificate of Deposit for Goldterra, Blue Castle Mine Site, S/015/077  
Emery County, Utah, BLM Serial Number UTU 79587

Certificate of Deposit no.

Principal Amount \$5400.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Eastern Utah Community Credit Union ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Blue Castle ("Mine Site"), Emery County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$5400.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the BLM upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Goldterra, Inc., a foreign corporation, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and BLM and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division and the BLM and agrees to record the information in the bank's written and electronic records of book entry.

Further, the bank acknowledges and agrees that it shall hold the moneys represented by the CD's as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The Division acts as agent for the Bureau of Land Management. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Goldterra, Inc. for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed, pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$5400.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

Agreed Upon By:

SEE authorized  
signature attached  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: \_\_\_\_\_

SEE authorized  
signature attached  
Daniel C. Sheppard, President  
Goldterra, Inc.  
Tax ID Number: 86-0861620

Date: 02/01/07

SEE authorized  
signature attached  
Paula J. Jacquez, Vice President  
Eastern Utah Community Credit Union

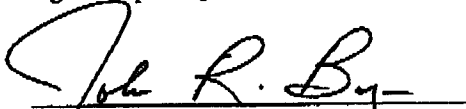
Date: \_\_\_\_\_

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$5400.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

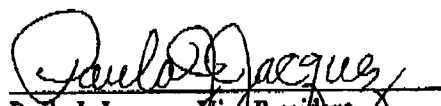
Agreed Upon By:

  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 3/20/07

See authorized  
signature attached  
Daniel C. Sheppard, President  
Goldterra, Inc.  
Tax ID Number: 86-0861620

Date: \_\_\_\_\_

  
Paula J. Jacquez, Vice President  
Eastern Utah Community Credit Union

Date: 2/1/2007

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERRBERT  
*Lieutenant Governor*

March 30, 2007

Dan Sheppard  
Goldterra  
4088 East Airport Road  
P. O. Box 783  
Price, Utah 84501

Subject: Reclamation Surety and Reclamation Contract, Goldterra, Blue Castle Mine, S0150077, Emery County, Utah

Dear Mr. Sheppard:

On March 20, 2007, the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the Blue Castle Mine Project Notice of Intention to Commence Small Mining Operations (NOI), file number S0150077. A copy of the executed reclamation contract/surety is enclosed for your records. This action has made it possible for your existing reclamation surety to be in place with the Division; however, you should note that there are deficiencies either in your Notice of Intent or in your surety/bond amount that need to be rectified.

The amount of surety/bond that is currently posted does not correspond with the information in your NOI. The surety is based on one acre of disturbance, but the NOI says the disturbance will be five acres. Since your NOI indicates you may disturb up to five acres, the Division must assume this much area could be disturbed. At the present time the average cost estimate for the first acre is \$5400 with \$3300 for each additional acre, which amounts to \$18,600 for a five-acre site. The actual disturbance is about one acre, and the surety you submitted is adequate for this much area.

Unless you decide to reclaim the site, there are two options available:

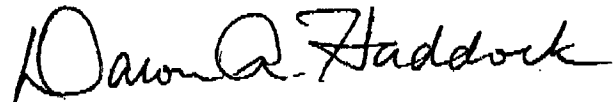
1. Amend the NOI to reflect the actual disturbance area.
2. Submit an additional \$13,200 in surety.

To amend the NOI, please file form MR-REV-SMO/EXP together with replacement pages for the NOI. Copies of the form and of pages from the NOI are enclosed.

Dan Sheppard  
Page 2 of 2  
S0150077  
March 30, 2007

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Paul Baker at 538-5261. Thank you for your help in completing this very important regulatory requirement.

Sincerely,



Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:pb

Enclosure: Copy of reclamation contract/surety

Form MR-REV-SMO/EXP

Pages and Maps from NOI

cc:

Beth Ericksen

Rebecca Doolittle, Price BLM

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**“BLUE CASTLE MINE”**

**NOTICE  
FOR  
SMALL MINE OPERATION**

(Revised April, 2007)

APPROVED  
NOV 08 2007  
DIV. OIL GAS & MINING

**Prepared by:** *Blackhawk Engineering, Inc.*  
*Dan W. Guy, P.E.*  
*1056 W. 2060 N.*  
*Helper, Utah 84526*  
*(435) 637-2422*



NOTICE

5/015/077

(For Operations Proposed Under the 43CFR3809 Regulations)

Paid permit  
fee 100<sup>00</sup> 2-11-99  
JB

**Name of Mine:**

*Blue Castle Mine*

**Operator's Name:**

*GoldTerra, Inc.  
4088 East Airport Road  
Price, Utah 84501*

*Telephone: (435) 636-8888*

**Ownership of Land Surface:**

*Public Domain (BLM)*

**Ownership of Minerals:**

*Public Domain (BLM)*

**Claimant Name:**

*GoldTerra, Inc.  
4088 East Airport Road  
Price, Utah 84501*

*Telephone: (435) 636-8888*

**Claim Name:**

*GTR 7*

**NOTICE****(For operations Proposed Under the 43CFR3809 Regulations)****Claim Type:***Placer***Mineral to be Mined:***Gold***BLM Claim Serial Number:***UMC365361***Location of the Proposed Activity:**

Township	16	South
Range	14	East
Section	29	
Description	E 1/2 NE 1/4 SE 1/4	

APPROVED  
NOV 08 2007  
DIV. OIL GAS & MIN.

**Describe Any Existing Disturbances and Structures or Indicate on Maps or Sketches:**

*Approximately 1100' long x 16' wide gravel road (0.404 acres) into the mine area, and approximately 0.441 acres of actual disturbance for exploration, for a present disturbance of approximately 0.845 acres.*

*It should be noted that the site is bonded for up to 1 acre of disturbance at this time.  
(See Figure 3).*

**Proposed Period of Operation:**

*From January through December.*

## NOTICE

### (For Operations Proposed Under the 43CFR3809 Regulations)

#### Proposed Activities:

*Activities Proposed at the mine site will include the following:*

- (1) Ingress/Egress over a 16' wide x 1100' graveled roadway;*
- (2) Extraction of ore material using a D-9 Dozer, Trackhoe, and/or a Front-End Loader;*
- (3) Explosives may be used as needed to fracture the unweathered shale;*
- (4) Ore material will be crushed to -1/4" on-site using a diesel powered generator and crusher. Any on-site fuel storage will be enclosed or protected by adequately-sized berms for protection from spillage.*
- (5) Crushed material will be stockpiled on site and removed on an as-needed basis determined by mill requirements;*
- (6) Crushed ore will be loaded into 30 - 35 ton belly-dump trucks by a front-end loader (960 or 988 size);*
- (7) Material will be hauled from the site on a graveled access road where it meets the Emery County Road;*
- (8) Haulage will continue on the Emery County Road to U.S. Highway 6, then north to the Mill location northeast of Price, Utah.*
- (9) The site will be kept in a clean and environmentally safe condition during operation.*

#### Hydrology:

*The proposed mine site is on a steep, barren shale slope with no well defined drainage patterns. At the base of the slope, runoff is primarily sheet flow until it finally reaches a series of small natural channels near the southern boundary. These channels flow southward and converge into a single, larger channel approximately 400' below the site.*

*It is proposed to install a silt fence in the larger channel below the point of confluence. This silt fence will treat all runoff from the mine site. The fence will be maintained and cleaned on an as-needed basis. (See Figure 3 for drainage and location of silt fence).*

*There are no perennial streams or intermittent drainages impacted with this operation. All drainage from the site and access road is ephemeral, flowing only in direct response to rainfall or snow melt.*

## NOTICE

### (For Operations Proposed Under the 43CFR3809 Regulations)

*The mine site and access road are located to minimize impact to the hydrologic regime in this area.*

*The access road will cross 2 small existing drainages near the site; however, the channels are approximately 8" deep and 12" wide in these areas. Since this is the upper end of these small channels, it is proposed to install small road dips rather than culverts in these areas.*

### **Proposed Reclamation:**

*The proposed mine site is a steep, barren shale slope with a small flatter area at the base, as shown on the attached map. The plan is to remove the ore material, crush it at the site and load and transport it to a remote mill site. The ore will be removed to the angle shown on the mining cross section. Because this is a clay/shale mixture, there are no plans to replace the waste material on the site, due to stability concerns.*

*Once mining is completed, all equipment and any structures will be removed from the site. Any trash and contaminated soil will also be removed and taken to an approved disposal site. The barren slope configuration will be as shown on the Reclamation Cross Section. This steep Mancos slope will conform to natural slopes in this area. Due to the lack of natural vegetation on the steep slopes, there are no plans to reseed these areas. The flatter, facilities area and access road will be graded to approximate original contour and ripped to a depth of 6" - 8" using a dozer. These areas will then be reseeded by hand broadcast methods with the seed mix listed in Attachment 1.*

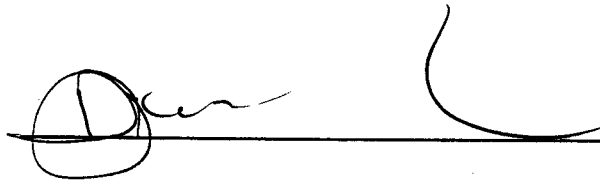
*As discussed in the hydrology section above, no major changes will be made to the existing hydrology for operations of the mine site. During reclamation, the area will be regraded to restore natural drainage patterns prior to mining. The silt fence will be left in place below the mine site until re-establishment of vegetation or approved for removal by the management agency.*

NOTICE

(For Operations Proposed Under the 43CFR3809 Regulations)

***I will complete all necessary reclamation of areas disturbed during my operations to the standards described in 43CFR3809.1-3(d) and as required by the Utah Mined Land Reclamation Act (40-8) and the rules specified by the Board of Oil, Gas and Mining, and reasonable measures to prevent unnecessary or undue degradation of the federal lands during operations.***

Signature of Operator: \_\_\_\_\_



Name (typed or printed): \_\_\_\_\_

DANIEL SHEPPARD

Title/Position: \_\_\_\_\_

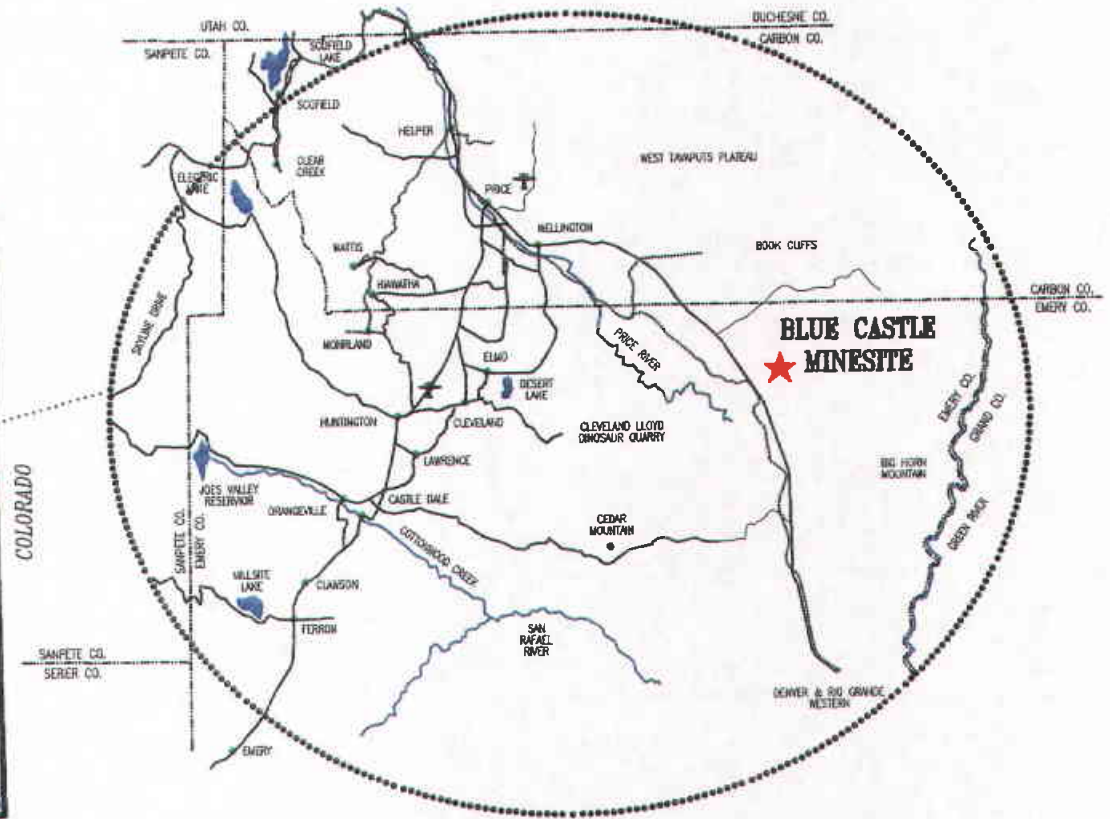
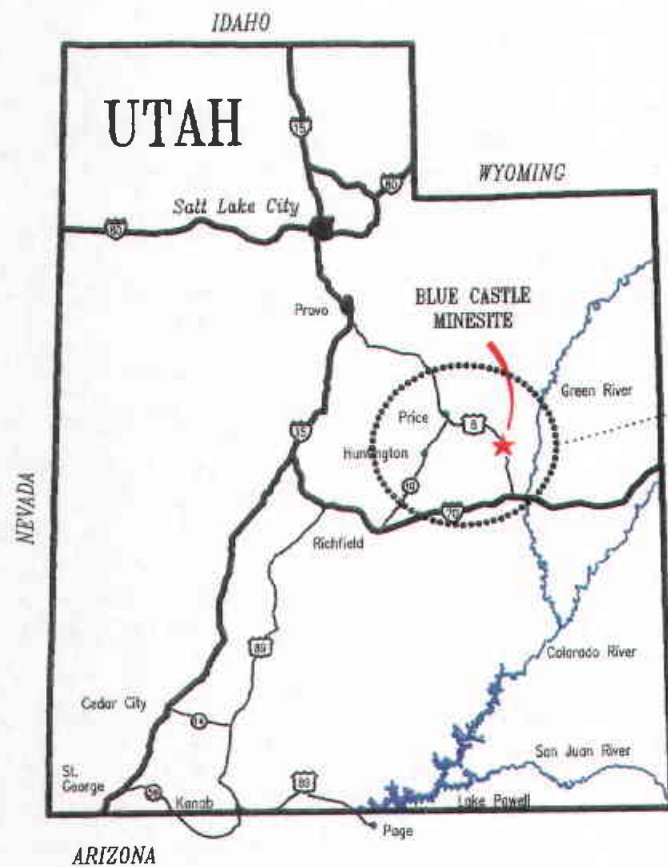
PRESIDENT

Date: \_\_\_\_\_

02/03/1999

# BLUE CASTLE MINESITE

LOCATION MAP



## PROJECT AREA DETAIL



FIGURE 1



# BLUE CASTLE MINESITE

LILA POINT, UTAH AND CEDAR, UTAH

T 16 S, R 14 E  
SECTION 29

E 1/2 NE 1/4 SE 1/4

30

29

29

PERMIT  
AREA

Pond

Corral

Existing County Road

Grossy

Wash

Wash



5148T

5200T

5215T

x 5779T

x 5515T

x 52

FIGURE 2



T. 16 S., R. 14 E.  
SECTION 29

E 1/2 NE 1/4 SE 1/4

EXISTING  
(BONDED)  
DISTURBED AREA  
(1.0 ACRE OR LESS)

MAXIMUM  
SMALL MINE  
PERMIT AREA  
(5.0 ACRES OR LESS)

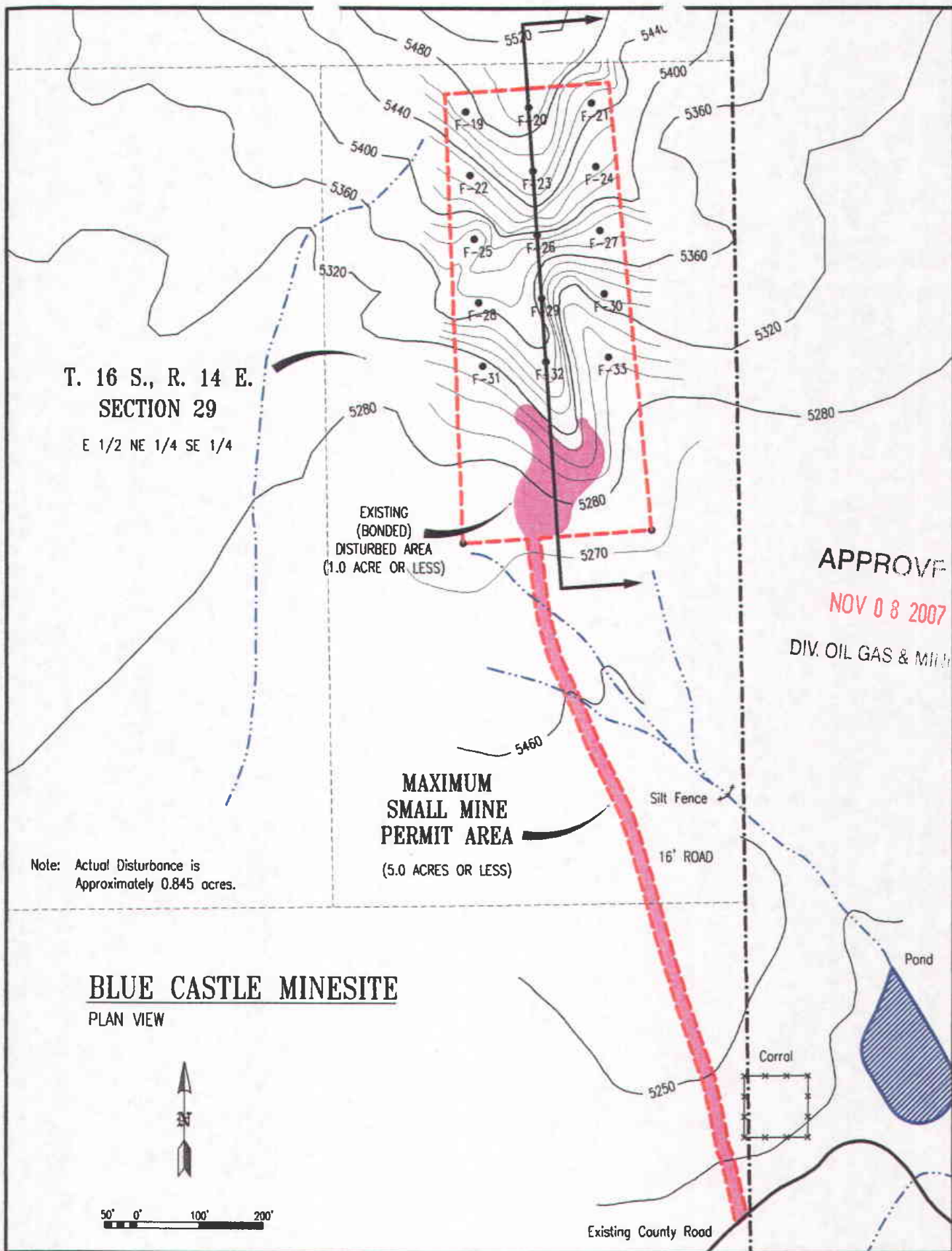
Note: Actual Disturbance is  
Approximately 0.845 acres.

## BLUE CASTLE MINESITE

PLAN VIEW



50' 0' 100' 200'



APPROVE

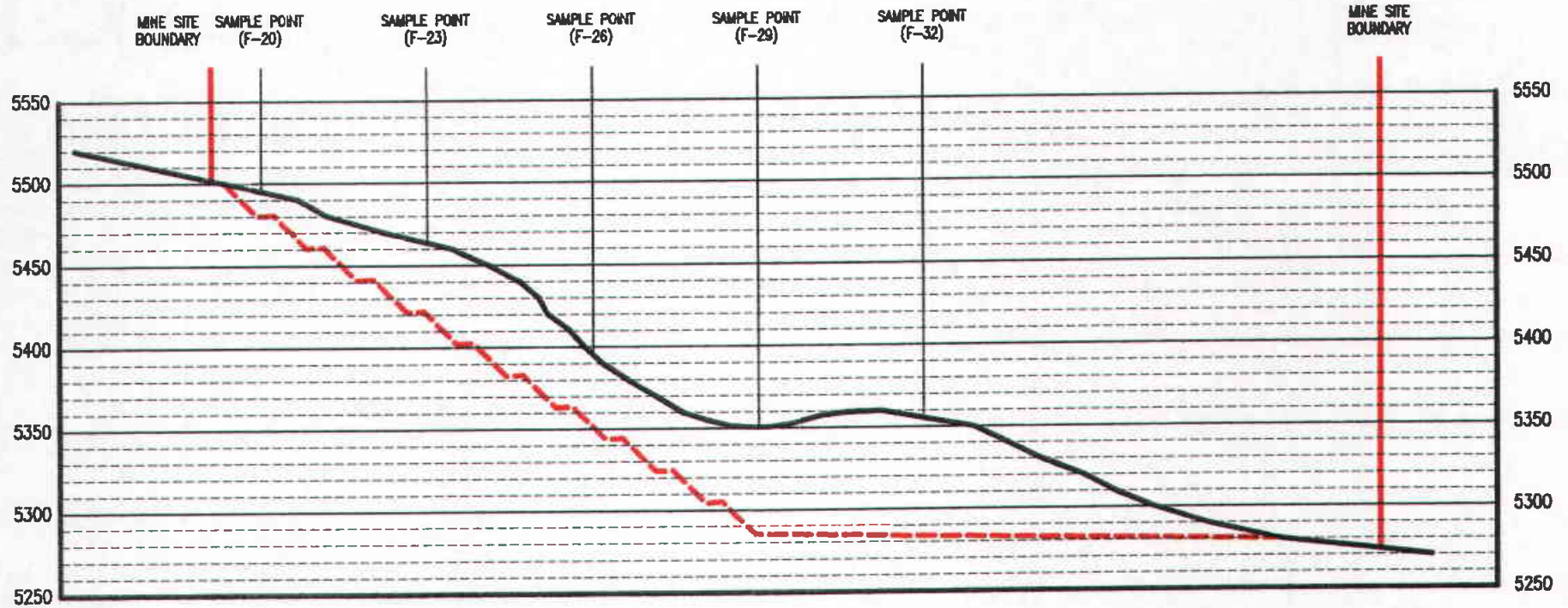
NOV 08 2007

DIV. OIL GAS & MIN.

# BLUE CASTLE MINESITE

TYPICAL CROSS-SECTION

MINING CROSS-SECTION



EXISTING PROFILE:  
PROJECTED MINING:

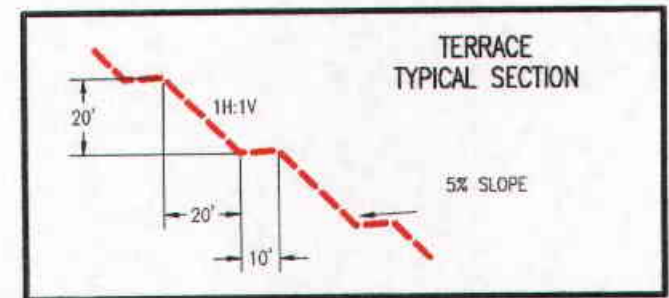


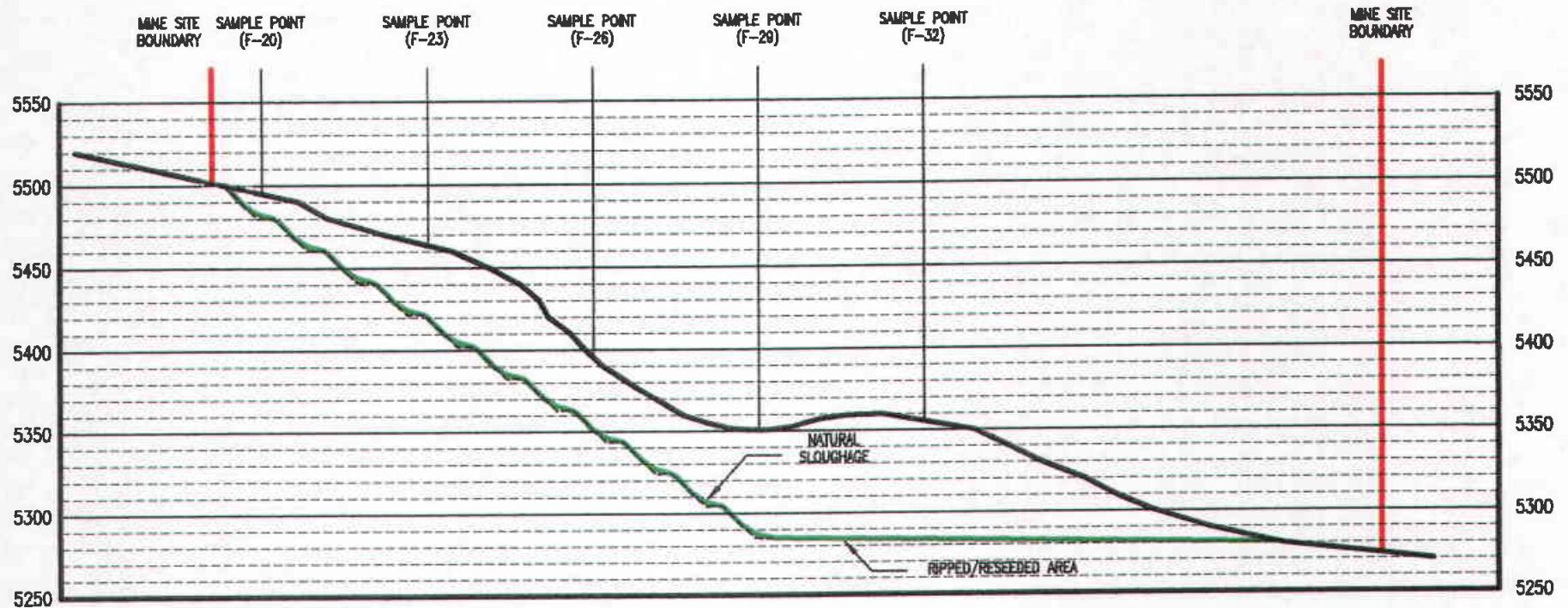
FIGURE 4



# BLUE CASTLE MINESITE

TYPICAL CROSS-SECTION

RECLAMATION CROSS-SECTION



EXISTING PROFILE:



PROJECTED MINING:

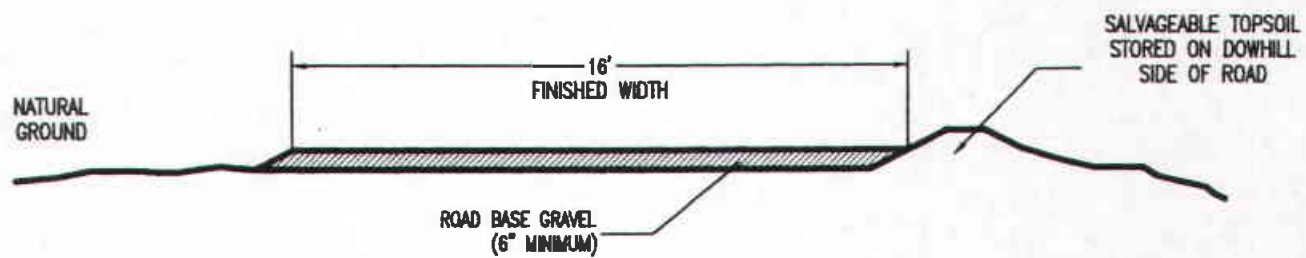


PROJECTED RECLAMATION:



# BLUE CASTLE MINESITE

ACCESS ROAD



TYPICAL SECTION

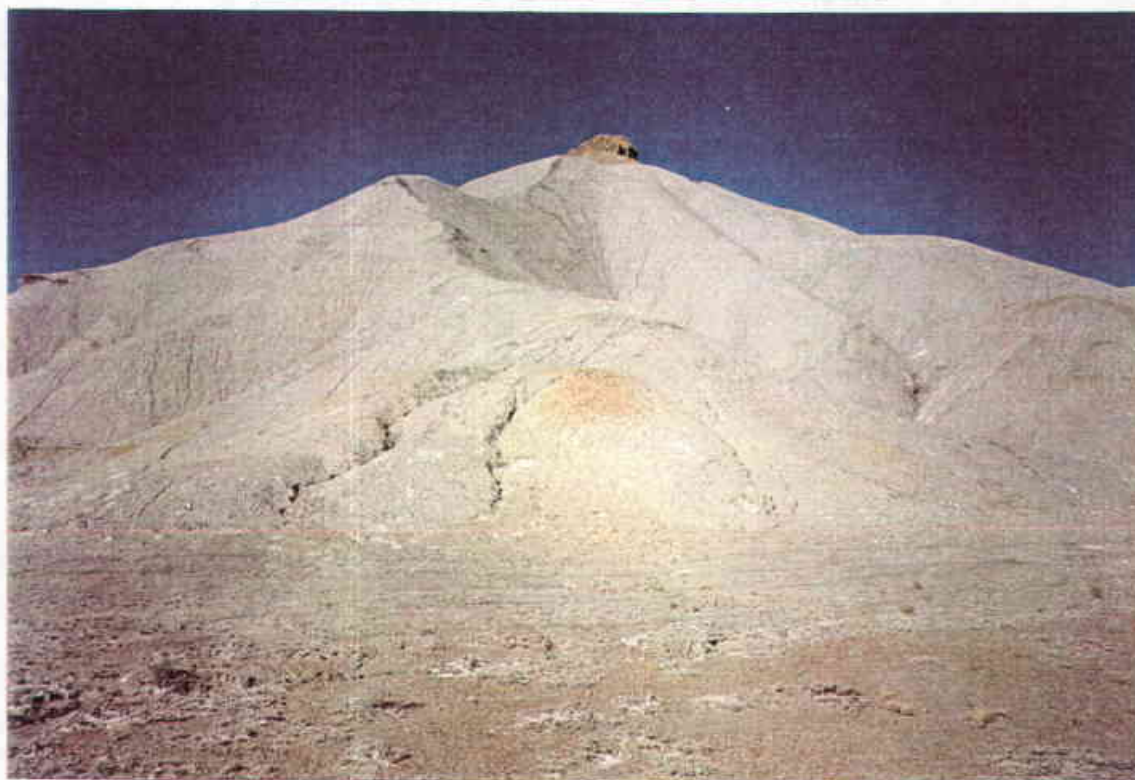
FIGURE 6

# BLUE CASTLE MINESITE

PHOTOS



PROPOSED MINE SITE AND ACCESS ROAD



PROPOSED MINING SITE



# **ATTACHMENT 1**

***“SEED MIX”***

## SEED MIX

**# per Acre:**

### **GRASSES**

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<b>3#</b>	<b>Crested Wheatgrass</b>	<b>Agropyron cristatum</b>
<b>2#</b>	<b>Needle &amp; Thread</b>	<b>Stipa comata</b>
<b>2#</b>	<b>Galleta</b>	<b>Hilana jamesii</b>
<b>1#</b>	<b>Indian Ricegrass</b>	<b>Oryzopsis hymenoides</b>

### **FORBS**

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<b>3#</b>	<b>Yellow Sweet Clover</b>	<b>Melilotus officinalis</b>
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### **SHRUBS**

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<b>1#</b>	<b>Fourwing Saltbush</b>	<b>Atriplex canescens</b>
<b>.5</b>	<b>Winterfat</b>	<b>Kraschennikovia lanatu</b>

---

**12.5# per acre — PLS (Broadcast over disturbed area)**

## **ATTACHMENT 2**

### ***"ENVIRONMENTAL STUDIES"***



T and E evaluations including raptors & other wildlife and paleo-arch clearance will be provided upon completion.